



PUBLIC NOTICE

Federal Communications Commission
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December 20, 2005

DOMESTIC AUTHORIZATION GRANTED

Application for Transfer of Control of McLeodDIP to McLeodUSA

WC Docket No. 05-303

By the Chief, Wireline Competition Bureau:

On October 20, 2005, McLeodUSA Telecommunications Services, Inc., Debtor-in-Possession ("McLeodUSA-DIP") and McLeodUSA Telecommunications Services, Inc. ("McLeodUSA," together with McLeodUSA-DIP, "Applicants"), filed an application, pursuant to sections 63.03 and 63.04 of the Commission's rules,¹ providing notice of a planned *pro forma* transfer of McLeodUSA to McLeodUSA-DIP in connection with a planned consensual (i.e., "pre-packaged") Chapter 11 financial restructuring ("Restructuring") that will change the capital structure of McLeodUSA's ultimate parent company, McLeodUSA Incorporated ("Parent", together with McLeodUSA, "Parties"). Additionally, Applicants sought approval of the transfer of McLeodUSA-DIP back to McLeodUSA.

The Commission released a public notice accepting this application for streamlined processing on October 27, 2005. On November 22, 2005, the Commission removed this application from streamlined processing, pending the U.S. Bankruptcy Court's approval of the Applicant's planned Chapter 11 restructuring. On December 16, 2005, the U.S. Bankruptcy Court for the Northern District of Illinois provided approval for the reorganization plan.

The Wireline Competition Bureau finds, upon consideration of the record, that grant of the Application will serve the public interest, convenience, and necessity. Upon consummation of the Restructuring: (1) McLeodUSA will hold less than a 10 percent share of the interstate, interexchange market; (2) to the extent McLeod-USA provides U.S. local exchange services or exchange access services, those services are provided only in geographic areas served by a dominant local exchange carrier that is not a party to the Restructuring; and (3) none of the Applicants or their affiliates are dominant with respect to any U.S. domestic telecommunications service.

¹ 47 C.F.R. §§ 63.03, 63.04; see 47 U.S.C. § 214.

Therefore, pursuant to section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and section 0.291 of the Commission's rules,² the Wireline Competition Bureau hereby grants the Application discussed in this Public Notice.

Pursuant to section 1.103 of the Commission's rules, the grant is effective upon release of this Public Notice.³ Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules may be filed within 30 days of the date of this Public Notice.⁴

For further information, please contact Renee Crittendon at (202) 418-2352.

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² 47 C.F.R. § 0.291.

³ See 47 C.F.R. § 1.103.

⁴ See 47 C.F.R. §§ 1.106, 1.115.